



Guaranty Agency Financial Report (ED Form 2000)

NCHELP CFO Conference
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Mystic, Connecticut

Shared Mailbox: OSFA GAR@ED.GOV

Internet Site: <http://www.ed.gov/offices/OSFAP/IGAL>



AGENDA

- I. Introduction/Business Practices
- II. Form 2000 Content
 - CFO/Financial Reporting
 - NSLDS
- III. FMS Demo



Introduction/Overview

– SFA Performance Objectives

– Improve Customer Service

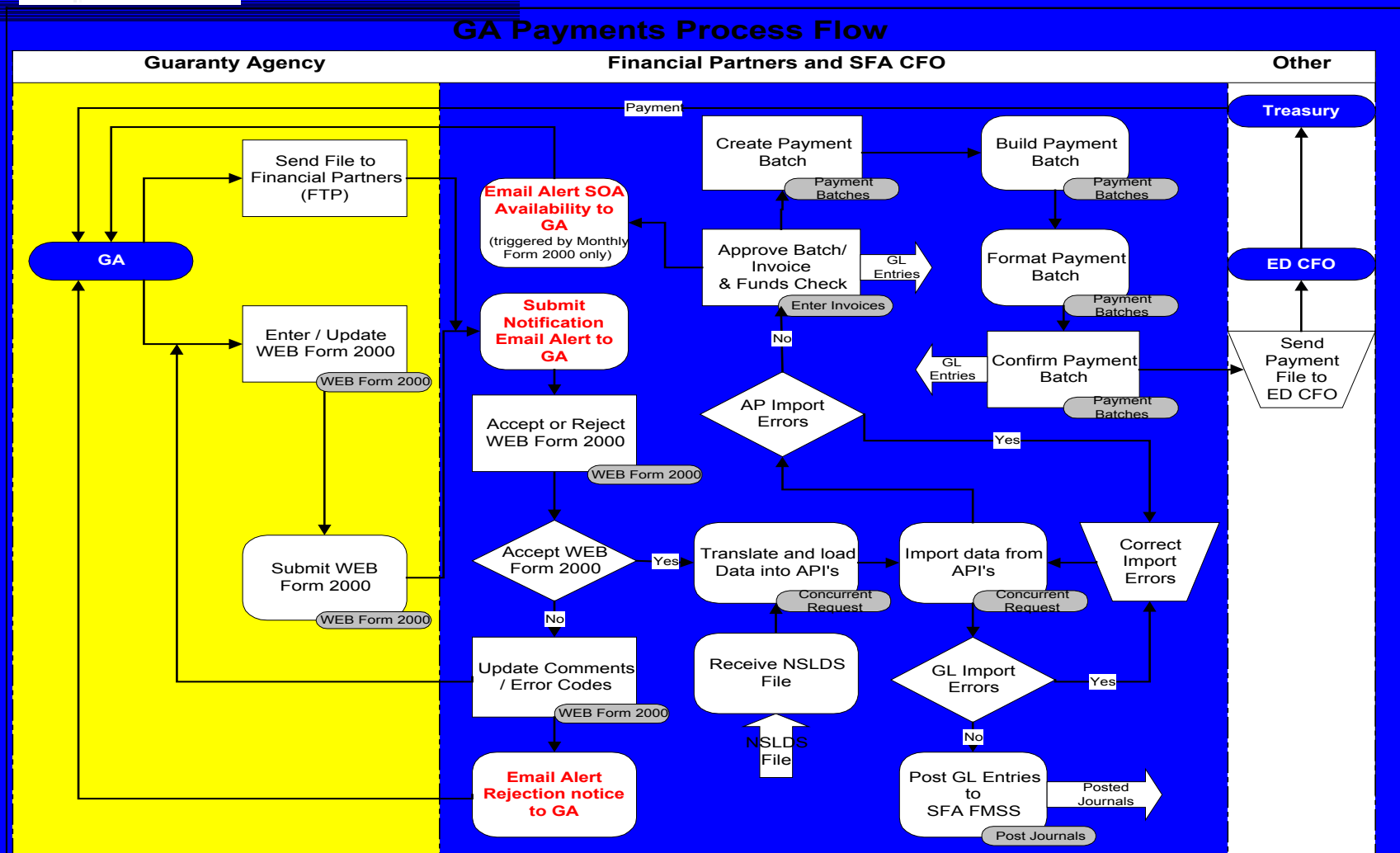
- Improve response time by providing a single source of current, on-line, accurate data
- Provide access to program data that is complete, accurate, and timely

– Reduce Unit Cost of Delivering Student Aid

- Provide effective funds management/budget controls
- Provide sufficient data for strategic decision making
- Provide cost and performance-based information

– Improve Employee Satisfaction

- Provide timely information retrieval and reporting to meet business needs
- Enable employees to be flexible in making operational decisions by providing complete and timely information





Form 2000 'Best in Business' Practices

■ Financial Transactions:

- Guaranty agencies will be able to submit data either through a front-end, **web-based form or a data file load**
- Invoices will be created for a guaranty agency's financial activities from and loaded into Oracle payables
- Invoices will be created for account maintenance fee (AMF) and loan processing and issuance fee (LPIF)
- SFA will be able to manage and schedule payments to the guaranty agencies
- Automatic funds checking before invoices are approved for payment
- The appropriate account code mapping for transactions involving guaranty agency activities can be maintained by SFA
- Financial information submitted will be readily available for analysis
- Guaranty agencies will be notified when Form 2000 has been approved for payment by SFA
- Guaranty agencies will receive a monthly Statement of Account -- anticipated payment and other financial information

■ Financial Management System:

- Financial transactions will be recorded in SFA's general ledger



Error Checks

- The form 2000 data file load will perform some validation checks, the GA is responsible for ensuring that correct information is sent to SFA and that the information adheres to the following rules. Any error will cause the entire data file to be rejected
 - Reasonability checks must be applied **prior** to sending the data file to the SFA FMS
 - A separate file must be submitted for each GA
 - A separate file must be submitted for each month / year
 - For GA's that submit quarterly, they must submit quarterly amounts
 - If resubmitting the annual information, both files must be resubmitted
 - Data must be compliant to field specific rules
 - If an amount is not applicable, leave the amount field blank
 - For monthly amounts, report in decimal format
 - For negative amounts, do include the minus sign
 - For annual amounts, provide whole numbers only (i.e., no cents)
 - If an amount is zero, provide '0.00' or '0'
 - If an entire category is zero, provide '0.00' or '0'
 - Ensure that at least one applicable amount field is non-zero
 - Do not enter dollar signs



Form 2000 Rejection/Re-Submission

- If an error is detected the data file will not be loaded into the form 2000 application extension nor submitted to the ED financial partners.
- If the data file was successfully submitted, then rejected by ED financial partners, the GA has two options:
 - The GA may manually modify the financial report using the form 2000 screens

Note: if the GA manually modifies the financial report, the GA's system that produced the data file will not reconcile with the SFA FMS
 - The GA may resubmit a corrected data file. To resubmit the GA will follow the same process. The file will have a submission code of 'R' to denote a re-submission



Testing

- *To ensure that SFA delivers a quality, error-free application to its customers that meet the customer's expectations.*



When

- Unit Testing

ongoing

- Assembly Testing

July 17 - July 21 (write cases)

July 24 - July 28 (execute tests)

July 31 - Aug. 4 (repeat tests)

- *Product Testing*

July 31 - Aug. 4 (write cases)

Aug. 14 - Aug. 18 (execute tests)

Aug. 21 - Sept. 1 (repeat tests)

- Operational readiness testing

Aug. 7 - Aug. 11 (write cases)

Aug. 30 - Sept 5 (execute tests,
repeat tests)



ED Form 2000 Data Transmission

- Three screens will be used by the guaranty agencies (GA) to manually enter their financial reports and submit them to SFA, Financial Partners for acceptance and processing:
 - SFA GA monthly financial report
 - SFA GA monthly/quarterly financial report
 - SFA GA annual financial report



Conversion

- Current Forms 1189/1130
 - GA Activity through September 2000
 - Monthly Reporting Current Form/Process
 - Quarterly/Annual for Quarter Ending 9/00
- Form 2000
 - GA Monthly/Quarterly Activity for October
 - GA Annual Activity FY Ending 9/01
 - Trading Partner Agreement for Participation



Contingency

– What If?

- The Oracle Application Doesn't Work
 - The Current System Can be Used to Process Payments
- GA Cannot Submit via Web
 - GA will mail form to ED
 - ED staff will key into web application



Training

- Identifying the Needs
 - Project Team, Super Users, End Users, Interested Parties
- Types of Training Available
 - External Classes
 - Instructor Lead Training (ILT)
 - Oracle Education
 - 3rd Party Training



Training

■ Types of Training Available

– Self-paced training

- Computer based training (CBT)
- Reference material
- Competency exercises



Implementation Timeline

Timeline for Implementation of the Guaranty Agency Financial Report (ED Form 2000)

ACTIVITY	PROPOSED START DATE	PROPOSED COMPLETION DATE	STATUS
GA Payments Web Application	10/15/99	03/31/00	Completed
Web Application (Unisys)			Completed
	04/04/00	04/04/00	
	04/04/00	04/30/00	
Con Call with Workgroup	05/18/00	05/18/00	
on Unisys Web Application	04/04/00	04/26/00	Completed
ts forwarded to Oracle	04/26/00	04/26/00	Completed
to GA's Comments on Web Application	04/26/00	04/26/00	Completed
s Application Integrated into Financial Package/Oracle	04/01/00	10/01/00	
nd Design	04/01/00	10/01/00	
emos	05/09/00	08/03/00	Completed
Requirements for Web Development	5/22/00	5/26/00	
data entry			Completed
cation via web interface			Completed
m GA's on Requirements	6/5/00	6/9/00	
data entry			Completed
cation via web interface			Completed
xtension Development	06/01/00	07/28/00	Completed
Demonstration #2 – End of June			
tion Meetings TBD			
ent Reports			
teps/Test Scenarios			
ements testing for FTP	08/00	mid-09/00	
and Implement Systems Modification (applies only to GA's using FTP)	08/00	mid-09/00	
Data Setup and Conversions	Latter half of 09/00	Latter half of 09/00	
Training	09/00	09/00	
on Date for Current Monthly Forms	09/08/00	09/08/00	
on	10/01/00	10/01/00	



Financial Reporting

– **Non-Payment Activity (MR-28 for Form 2000 formerly Line C-31 of the SF-1130)**

- Subrogated loans are defaulted loans assigned to the Department by the guaranty agencies after all collection efforts have been exhausted.

– **Reporting Requirements for Subrogated Loans:**

- Subrogated loans are reported quarterly (Cumulative fiscal year-to date).
- Bankruptcy loans transferred to ECMC are reported on Line MR-42 of Form 2000 and should not be included in the loans assigned to the Department.



Financial Reporting

– Additional Guidelines:

- Until a loan is accepted into the Debt Collection Management System (DCMS), the loan remains in the portfolio of the GA and should be reported as such.
- GA's should perform a quarterly reconciliation of loans assigned versus loans accepted into DCMS.
- GA's should use the tape transmittal or Loan Database reports from DCMS for compilation of the quarter principal, interest and fees (PIF). These reports indicate the number of loans accepted per tape or manual submission and the PIF amounts.



Financial Reporting

If you have any questions or need
assistance please contact

June Ritchie of the Financial Reporting
Division at 202-708-4781 or
june_ritchie@ed.gov



NSLDS Reasonability

- Form 2000 Reasonability Update
 - Participating in Forms 2000 Workgroup
 - Reviewing definitions
 - Selecting line items for reasonability
 - Selecting thresholds
 - ED Forms 1130/1189 Progress
 - Moving forward to Form 2000
 - Working w/GA on 1189 reasonability
 - Refining 1130 reasonability
 - On-going programming in NSLDS
 - Loan Level Detail to be made available



NSLDS Reasonability

- New Reasonability Project
 - Receivables Section
- New Data Provider Instructions July 2000
- Individual Data Elements - Reasonability Flags

Date of Guaranty							
Loan Identifier	History	Reasonability	Date Sequence Edit	Type	Size	Position	Field Code
Yes	No	Yes	No	Date	8	35-42	025



NSLDS Reasonability

- Loan Processing and Issuance Fee
 - Based on Disbursements as of 10/1/99
 - Open Issue on how to treat FY 99 cancellations and late reported guarantees.
- Account Maintenance Fee
 - Revised to ensure inclusion of specific loans
 - Revised to exclude non-updated loans



NSLDS Updates

- New/Revised Loan Status Codes
 - Sent to GA's in July 2000
 - Data Providers may begin using Jan. 2001 and must begin using by July 2001
 - New Codes to improve Reasonability
 - CS -Closed School
 - FC - False Certification
 - UA/UB/UC/UD - Temporary/Permanently Uninsured



NSLDS Updates

- New Codes to improve Reasonability (Con't)
 - DR - Defaulted Rolled-up
 - PM/AL - Presumed paid-in-full/Abandoned Loan
 - Handshake Codes for indicating Transfer
 - AE - Loan Transferred
 - IT - Loan Released by DCS to GA, DL, or School
- New Data Integrity Improvement Plans
 - Identifies Reasonability Items
- CAM Pilot
- SSCR Pilot

Form 2000

DEMONSTRATION



QUESTIONS/ANSWERS